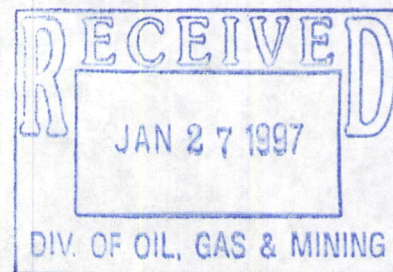


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 1/96 To (mo./yr.) 1/97
2. DOGM File Number (Mine No): S / 013/003
3. Mine Name: Sunshine/Hematite Claims Project
4. Mineral(s) Mined (or permitted to mine): Iron Oxide (Hematite - Pigment)
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
N 1/4, W 1/4, Section 15, Township 2N, Range 6W
1/4, 1/4, Section , Township , Range
1/4, 1/4, Section , Township , Range
7. Name of Operator or Company: Uintah Mountain Copper Company
8. Permanent Street Address: 341 South Main Street, Suit 401
City, State, Zip: Salt Lake City, Utah 84111
Phone: (801) 530-1045
9. Company Representative (or designated operator):
Name: Mike P. Kandaris Peter M. Kandaris
Title: Vice President President
Business Address: (Same as above)
City, State, Zip: _____
Phone: _____

☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? *Yes ☒ No ☐
2. If active, how much ore or mineral was mined? No mining, only sample ore removed

* See attached 1996 Plan of Operation & Addenda - work performed relates to Phase I test pit development program activities.

3. How much **additional acreage** was disturbed during past year? 0.01 acre
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

A nominal 10' x 20' by 4' deep test pit (10 to 15 tons removed) was excavated as partial completion of Phase I development activities. See detailed discussion in the attached USFS P00 (1996 revisions), Appendix A, Supplemental Description B & Addendum #1 to P00 revisions. Only sample ore has been removed by this development phase.

5. How much acreage was **reclaimed** during the past year? None - see discussion below

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

No reclamation was required by USES in 1996 (bonds were returned after completion of initial work). Phase I work will be completed in 1997, then reclamation work as detailed in P00 will be performed.

7. What is the **total disturbed acreage** at years end? 0.01 acre

8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Sideslopes will be stabilized and revegetated in 1997 upon completion of Phase I development work. See P00 (1996 Revision), Appendix A, Supplemental Discussion B & Addendum No. 1 to 1996 Revisions, Section 7 for full details.

(note: Addendum #1 is in Appendix C of the copy sent to Division of Oil, Gas & Mining)

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print):

Peter M. Kandaris

Title of Operator:

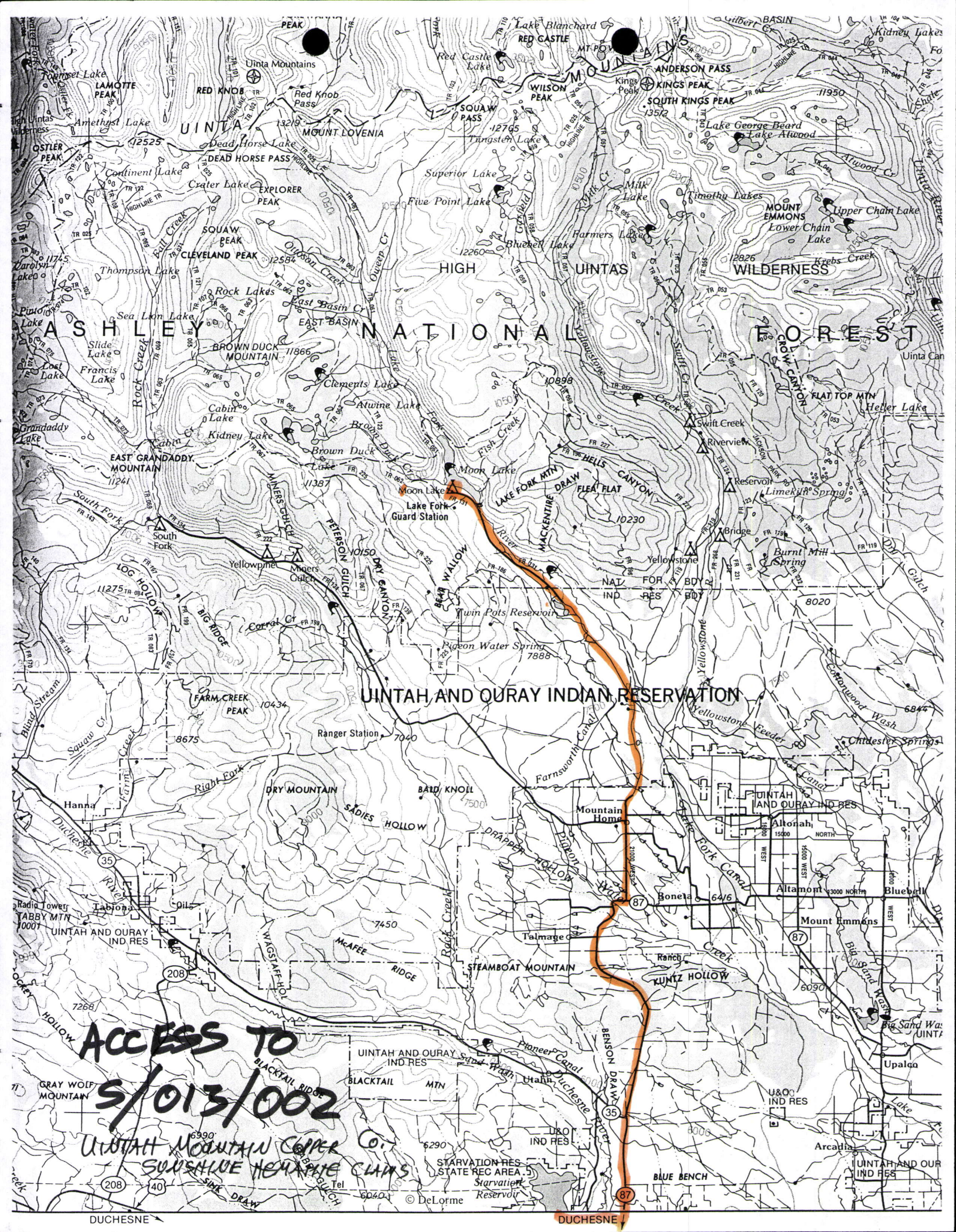
President, UMCC

Signature of Operator:



Date:

January 22, 1997



ACCESS TO
S/013/002
UTAH MOUNTAIN COPPER CO.
SOLUBLE HEAVY CLAYS